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Activities Of The
Economic Opportunities Development
Corporation Of San Antonio And
Bexar County, Texas

B-130515

Office of Economic Opportunity

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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089226

MARCH 9, 1973



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-130515

GR
The Honorable Henry B. Gonzalez
House of Representatives

Dear Mr. Gonzalez:

This is our report on activities of the Economic Opportunities Development Corporation of San Antonio and Bexar County, Texas, a grantee of the Office of Economic Opportunity (OEO). We made our review in response to your request of January 28, 1972, and later agreements with your office.

As you requested, OEO and the grantee have not been given an opportunity to formally examine and comment on the report. However, we provided the OEO Dallas regional office and the grantee with a statement of facts developed in our review of the grantee's programs and we considered their comments in preparing this report.

As we agreed, we are sending copies of this report to the Director, Office of Management and Budget; the House and Senate Committees on Government Operations and Appropriations; OEO; and the grantee.

We do not plan to distribute this report further unless you agree or publicly announce its contents.

Sincerely yours,

James B. Stacks

Comptroller General
of the United States

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ABBREVIATIONS

BBDC	Barrio Betterment and Development Corporation
CCADC	Citizens' Committee for Action Development Corporation
CEP	Concentrated Employment Program
EODC	Economic Opportunities Development Corporation
GAO	General Accounting Office
GED	general education development
HEW	Department of Health, Education, and Welfare
HUD	Department of Housing and Urban Development
MWCC	Mid-West Community Corporation
OEO	Office of Economic Opportunity
PCDC	Peoples' Community Development Corporation
SANYO	San Antonio Neighborhood Youth Organization
SNAC	Southside Neighborhood Assistance Corporation
UCDC	United Communities' Development Corporation
UCPPOC	United Citizens Project Planning and Operating Corporation

maintained some contact with certain service agencies, corporation records did not reflect any significant progress. (See p. 18.)

Outreach--Although the corporations intended to accomplish outreach through personal contact with community residents, GAO found little evidence that such contacts were made consistently. Five corporations reported 5,509 outreach contacts between January and March 1972, but only 996 of them were adequately documented in corporation records. (See p. 19.)

Intake--Five corporations planned to interview 10 people a day but did not meet these goals. Also interview forms were generally only complete enough to identify immediate needs and did not contain enough data to permit indepth analyses of individuals' problems. (See p. 20.)

Referral--Of 5,345 referrals reported by the six corporations during selected periods of the program year, GAO found records that supported only 2,208 of them. (See p. 21.)

Followup--The six corporations were to follow up on each referral by maintaining personal contact with the individual until his needs were fulfilled. Generally followups were not carried out in the manner intended, apparently because of a misunderstanding of the purpose of followup. (See pp. 22 and 23.)

Establishing special projects--The corporations conducted special projects for better health, food, public improvements, housing, and welfare and social services. They did not, however, give community resi-

dents the assistance and support they needed to permanently improve their circumstances, as was called for in title II of the Economic Opportunity Act of 1964, as amended. The corporations had placed emphasis on solving short-term problems and had little time or resources to meet the residents' education or job opportunity needs. (See pp. 24 and 31.)

The corporations' resistance to guidance and technical assistance offered by the agency and OEO regulatory restrictions on the extent to which the agency could monitor and evaluate the corporations' activities are other problem areas that need to be resolved. For example, the agency could not verify the accuracy of corporation progress reports nor could it determine the types of services actually rendered because an OEO instruction prohibited it from gaining access to corporation records containing confidential client information. (See p. 29.)

Award of mobilization
of resources grant

GAO believes the agency's board of directors, in selecting one of its corporations to receive a \$21,070 mobilization of resources grant, did not adequately consider a proposal submitted by the Ella Austin Community Center.

Of three proposals under consideration, only the Ella Austin Community Center proposal, dealing with a mental health clinic, contained information clearly showing a need for the services. An agency subcommittee which conducted a preliminary evaluation of the three proposals recommended the Ella Austin proposal, but the agency's board selected one

of its corporations instead. The corporation was never able to meet OEO requirements, and the funds were unused for 2 years.

In August 1972 OEO awarded the grant to the agency for developing a capability to mobilize non-OEO resources. (See p. 33.)

Limitation on administrative costs

GAO found that, except for some minor mathematical errors, administrative costs incurred by the agency were correctly computed and were well within the 15-percent limitation required by section 244(7) of the Economic Opportunity Act, as amended. (See p. 37.)

The agency and the OEO Dallas regional office informed GAO in January 1973 that they had begun implementing a number of actions to correct the deficiencies disclosed in GAO's review.

RECOMMENDATIONS OR SUGGESTIONS

GAO recommends that OEO

- help the agency and the corporations improve their operations and achieve planned goals by providing them with guidance and assistance in areas needing improvement,
- require the corporations to accept guidance and technical assistance offered by the agency, and
- either rescind its instruction which prohibits the agency's access to client information needed for monitoring and evaluating corporation activities or establish a system or procedure whereby the information may be provided to the agency without divulging clients' names. (See pp. 31 and 32.)

CHAPTER 1

INTRODUCTION

On January 28, 1972, Congressman Henry B. Gonzalez asked the General Accounting Office (GAO) to review activities of the Economic Opportunities Development Corporation (EODC) of San Antonio and Bexar County, Texas, a community action agency responsible for carrying out antipoverty programs financed by the Office of Economic Opportunity (OEO); Department of Labor; Department of Health, Education, and Welfare (HEW); Department of Housing and Urban Development (HUD); and ACTION.

We reviewed:

1. EODC's basis for allocating OEO funds to its neighborhood corporations.
2. The administrative efficiency and accomplishments of EODC's neighborhood corporations between April 1, 1971, and March 31, 1972 (1971-72 program year).
3. EODC's selection of one of its neighborhood corporations for a \$21,070 mobilization of resources grant.
4. EODC's compliance with the 15-percent administrative cost limitation established by section 244(7) of the Economic Opportunity Act of 1964, as amended.

BACKGROUND

Title II of the Economic Opportunity Act of 1964 (42 U.S.C. 2781), as amended, provides for the establishment of community action programs to encourage innovative approaches in attacking the causes of poverty and to stimulate communities to use available resources more effectively to help the poor become self-sufficient.

These programs are to be developed, conducted, and administered by a community action agency (a State or political subdivision, a combination of such political subdivisions, or a public or private nonprofit agency or organization). EODC became the community action agency for Bexar County, which includes San Antonio, in December 1964.

Although EODC is responsible for serving the entire Bexar County population, it concentrated its efforts in a defined target area encompassing about 59 percent of the total county population and 85 percent of the county population falling within OEO poverty guidelines.

According to the 1970 census, the target area served by EODC had a population of 490,414 people, of which 135,437, or 27.6 percent, had incomes below OEO poverty standards. This compares to a total target area population of 453,971 people reported in the 1960 census, of which 190,673, or 42 percent, had incomes below OEO poverty standards.

Here are the Federal expenditures for programs operated by EODC during the 1971-72 program year.

<u>Programs</u>	<u>Expenditures</u>	
OEO:		
Administration and planning	\$ 342,995	
Neighborhood service system	737,606	
Credit union	39,779	
Youth development programs	255,319	
Family planning	226,832	
Legal services	328,960	
Alcoholism	163,843	
Pilot programs	74,331	
Migrant program	197,210	
Emergency food and medical services	<u>192,730</u>	
		\$2,559,605
Labor:		
Concentrated Employment Program:		
Job conditioning	\$1,094,930	
Skill training	849,113	
New careers	604,136	
Manpower services	925,301	
Family counseling	46,090	
Administration	309,967	
Senior community services project	<u>93,640</u>	
		3,923,177
HEW:		
Full-Year Head Start		1,033,346
HUD:		
Coordinated day-care project		143,277
ACTION:		
Foster grandparents projects		411,922
Total		<u>\$8,071,327</u>

We limited our review to EODC's neighborhood service system.

SCOPE OF REVIEW

We reviewed appropriate legislation and OEO policies and procedures concerning the community action program. We obtained basic program and financial data on the antipoverty programs administered by EODC during the 1971-72 program year and reviewed the extent to which the corporations had accomplished goals outlined in EODC contracts with the corporations for the 1971-72 program year. We held discussions with EODC and neighborhood corporation officials, reviewed records of EODC and the neighborhood corporations, and interviewed people served by the neighborhood corporations.

We did our fieldwork between February 1972 and September 1972 at EODC headquarters and at the following six neighborhood corporations.

1. Barrio Betterment and Development Corporation (BBDC)
2. United Citizens Project Planning and Operating Corporation (UCPPOC)
3. Southside Neighborhood Assistance Corporation (SNAC)
4. Citizens' Committee for Action Development Corporation (CCADC)
5. Peoples' Community Development Corporation (PCDC)
6. Mid-West Community Corporation (MWCC)

At the time of our review, EODC was directly operating a seventh neighborhood corporation, the United Communities' Development Corporation (UCDC). For this reason we did not include UCDC in our review of the neighborhood corporations' administrative efficiency and accomplishments.

CHAPTER 2

NEIGHBORHOOD SERVICE SYSTEM

In its annual report to its board of directors covering the 1971-72 program year, EODC described its neighborhood service system as its major grassroots contact with community residents. At the time of our review, the system included six neighborhood corporations, each of which was controlled by a board of directors elected by residents of the areas served. The corporations were to serve as extensions of EODC by carrying the war on poverty into the neighborhoods.

DEVELOPMENTAL HISTORY

In April 1969 OEO issued an evaluation report which contained recommendations for improving the then-existing EODC neighborhood center program and for insuring that the underprivileged would be effectively represented on the EODC board of directors. OEO had found that the Bexar County antipoverty effort was ineffective and at times nearly paralyzed by structural weaknesses in the EODC board.

Two OEO recommendations had a direct impact on the structure of the EODC board and on the thrust of EODC's neighborhood center program. Continued OEO funding was contingent upon EODC's prompt implementation of these recommendations or alternatives acceptable to OEO.

The first of these recommendations stated that EODC board members representing the poor were to be elected on a geographical basis. Before the OEO report, EODC board members representing the poor had been chosen by a membership body composed of 136 neighborhood organizations. Many of these organizations were affiliated with the Greater San Antonio Federation of Neighborhood Councils. The Federation was closely identified with the San Antonio Neighborhood Youth Organization (SANYO). At the time, SANYO was EODC's delegate agency primarily responsible for the neighborhood center program and both SANYO and the Federation had the same director. The OEO evaluation team had considerable difficulty in distinguishing between the two organizations and found that the SANYO and Federation director controlled a large faction of the EODC board.

CHAPTER 3

NEIGHBORHOOD CORPORATIONS' ACCOMPLISHMENTS

The corporations were to act as the links between EODC and the poor and were to be staffed with neighborhood residents. They were to (1) be the focal points of initial contact with the poor, (2) provide services to the poor either directly or by referral, and (3) continue communication with the poor to see that their needs were being met. They were responsible within their designated neighborhood boundaries for (1) mobilizing the resources of other community organizations in a concerted and unified effort to combat poverty, (2) informing neighborhood residents of services available to them, and (3) organizing and sustaining resident participation in community action.

The corporations used three major techniques to carry out their responsibilities.

1. Community organization: This involved educating neighborhood residents about their more pressing community problems and organizing them in a way that they could begin solving these problems.
2. Coordination of services, outreach, intake, referral, and followup: The objective of these closely associated processes was to identify the social services available and to see that the residents were made aware of these services and benefited from them.
3. Establishing special projects: This was to provide needed services which were not readily available to the neighborhood residents.

COMMUNITY ORGANIZATION

Effective citizen involvement in community affairs can be promoted by providing neighborhood people with the opportunity and impetus to organize available resources to identify and solve immediate and long-range problems. The six corporations planned to accomplish this goal during the 1971-72 program year by:

1. Organizing neighborhood advisory groups to identify priority needs, communicating the needs to the corporation, and developing plans to solve them.
2. Conducting area surveys and feasibility studies to update knowledge of current community needs.
3. Keeping area residents informed of current issues and corporation accomplishments through newsletters and personal contacts.
4. Assuring neighborhood residents of active participation in the corporations' day-to-day affairs through representation on their boards of directors and through the opportunity to be heard at board meetings.

Neighborhood advisory groups

Each corporation planned to organize advisory groups during the program year and established specific membership goals.

PCDC was the only corporation that met its goals even though it encountered problems similar to those experienced by other corporations. Its goals, however, were not as high as those of the other corporations.

In some cases the other five corporations were not able to establish the number of groups planned; in other cases they did not attain their membership goals. The primary cause was general apathy on the part of neighborhood residents. The following example is typical of the situations we found in four of the five corporations.

The BBDC executive director told us that, even though group meetings had been publicized in church bulletins and handouts, area residents were not interested in participating unless a crisis arose having immediate impact on the neighborhood. Two such crises he cited were the need for a food stamp office and removal of a disagreeable odor from a meatpacking house in the area. Once these issues were satisfactorily resolved, the citizens apparently stopped participating.

The executive director of the fifth corporation (UCPPOC) told us that six of the nine groups planned were never organized because area residents did not want any more groups in the neighborhood. She said that, as an alternative, attempts were made to establish liaison with about 53 special interest organizations in the community, but she could provide evidence of only 25 such contacts, of which seven replies were documented.

The executive director stated that not all these organizations were established by or for the poor, and she listed the National Association for Advancement of Colored People, the Chamber of Commerce, the Masonic Lodge, and various social clubs as examples. She added that UCPPOC representatives attended some of these organizations' meetings. Attendance rosters showed that four of these organizations held 10 meetings between January and March 1972, but we were unable to determine what took place because minutes of the meetings were not available.

Area surveys and feasibility studies

According to their contract work statements, the corporations intended to perform area surveys and feasibility studies to identify current needs and problems. They were to use this data, along with information on needs provided by neighborhood advisory groups, as a basis for future program planning.

Our review showed that BBDC, PCDC, and MWCC did not make any surveys or studies. The BBDC executive director did not believe that they were needed. He said that EODC had made a survey in 1970 to define priority needs in the poverty target area and that the problems identified by this survey were still present. The other two executive directors did not offer any explanations.

Even though the executive directors of the other three corporations told us that they had made surveys and studies, we found no supporting evidence. For example, the CCADC executive director advised us that the corporation had made three surveys during the year. In one survey, she said, 350 senior citizens were interviewed on such topics as housing, health, and transportation. She stated that the other two surveys involved measuring the need for physical

improvements in the area and interviewing 300 residents to obtain their views on community needs. The executive director added that she had sent copies of the survey results to EODC but had destroyed her copies. The EODC director of Neighborhood Operations told us that he could not recall ever having seen these results.

Corporation newsletters and public information efforts

Five corporations planned to publish monthly newsletters, with circulation goals ranging from 300 to 6,800 copies, to inform residents of available services, corporation projects, priority issues, and current events. The sixth corporation, CCADC, planned to inform area residents of these matters by distributing brochures and other literature during door-to-door visits and at community meetings and public places.

We found that none of the five corporations published their newsletters. The executive directors of MWCC, UCPPOC, and SNAC said that the newsletters were too expensive; the BBDC executive director said that he distributed copies of his monthly board of directors reports to his six satellite centers dispersed throughout the service area; and the PCDC executive director said that he had chosen to use free radio and TV advertising time.

The CCADC executive director told us that her community aides were constantly distributing handouts and brochures door-to-door. Since there was no record of this activity, we were unable to determine how many contacts were made through this method.

Corporations' boards of directors

EODC established the neighborhood service system to provide the underprivileged with the opportunity to govern the corporations by electing their own representatives to boards of directors. The boards were to make policies and have the final authority on the more significant administrative matters. The boards were to maintain a constant state of awareness about community problems by permitting area residents, either as individuals or as members of neighborhood advisory groups, to be heard at all board meetings.

The boards also were to monitor the progress of corporation-sponsored programs through administrative evaluations.

We found that none of the above goals were being satisfactorily realized, either because of the residents' lack of interest on or the boards' failure to carry out their own responsibilities.

Board elections

Voter interest in electing board members was minimal. For example, MWCC held six elections in April and May 1972, each of which was to seat one board member. We found that 14 ballots were the most cast in any of the elections.

UCPPOC scheduled an election for June 15, 1972, to fill 12 board vacancies. At this election, 30 voters seated 12 unopposed candidates. The UCPPOC executive director told us that voter participation was low because an earlier UCPPOC election had been voided and an EODC board election had recently been held. She said all these elections confused people. It was her opinion that voter turnout would have probably been the same even if the board seats had been contested.

Methods of publicizing elections, according to several directors, included news media, handouts, assistance from local businesses, and personal contacts.

Attendance at board meetings

An additional indication of residents' apathy was the extent to which they participated at board meetings. Our discussions with corporation executive directors and review of available board minutes showed little evidence of citizen attendance or participation at board meetings. In those instances where citizens did address the board, we found that the discussions did not involve the priority issues defined by EODC as a result of a target area survey conducted in 1970.

In addition, absenteeism among the board members was common. For example, the SNAC 24-member board scheduled 13 meetings during the 1971-72 program year, of which two were canceled because of lack of a quorum. An average of 15 members attended the other 11 meetings.

The UCPCOC 36-member board held 12 meetings during the 1971-72 program year with an average attendance of 14 members. Two of these meetings were conducted even though the 11-member quorum was not present.

Board evaluations

The boards were supposed to analyze corporation activities at least every 3 months to effectively monitor progress and assure themselves that policies were being properly carried out. None of the boards complied with this requirement. We found that the BBDC and PCDC boards did conduct one evaluation each during the 1971-72 program year. The BBDC evaluation covered only two of the corporation's six satellite centers, but it did deal with priority issues to some extent. PCDC's evaluation consisted of a cursory examination of administrative procedures.

EODC evaluation of
neighborhood corporations'
community organization activities

EODC staff issued a report to its board in June 1972 which consolidated the results of one OEO study and three EODC evaluations of the corporations conducted during the 1971-72 program year. The report stated that the corporations were either not carrying out community organization activities or were not carrying out such activities as they should. The report described three basic types of community organization activities.

1. That which was initiated and organized exclusively by the corporation executive director, without the benefit of either staff or community input.
2. That delegated to an uncoordinated neighborhood advisory group, which did not give the corporation an active leadership role as it should have.
3. That which involved the corporation in political activities, which violates OEO regulations.

EODC notified SNAC on May 25, 1972, that it was being placed on probation because of an allegation that SNAC had violated OEO Instruction 6907-1 dealing with political activity prohibited by sections 213 and 603 of the Economic Opportunity Act (42 U.S.C. 2796 and 2943) and 5 U.S.C. 1501-1508 (commonly known as the Hatch Act). The probation was to continue until the Department of Justice reviewed the case.

An ex-SNAC employee charged that SNAC supervisors had asked employees to participate in partisan and nonpartisan political activities during off-duty hours. The employee said that she was fired because she refused to comply with the request.

In November 1972, the EODC board removed SNAC from probation because the OEO Regional Director endorsed this action and because he advised EODC that:

1. The Department of Justice investigation did not establish any prosecutable violation of the Federal statutes.

2. The directives regarding permissible and illegal political activity had been clarified and the SNAC board had affirmed its commitment to adhere to these regulations.

COORDINATION OF SERVICES, OUTREACH, INTAKE, REFERRAL, AND FOLLOWUP

Another major function of the corporations was to serve as links between the underprivileged and the various agencies offering services to the poor. Corporation work statements dictated that this was to be accomplished by:

1. Identifying agencies in the San Antonio area offering such services and determining their capability to address the needs of the poor by investigating the agencies' functions, application requirements and procedures, and accessibility to area residents.
2. Establishing communications channels with these agencies and stimulating the agencies' awareness of the needs of area residents.
3. Making these agencies' services more readily available to the poor by decentralizing the services, negotiating for suitable hours, and providing better transportation to the agencies.

The corporation executive directors were to report their progress on coordinating agencies' services to their boards of directors. The corporations were then to actively seek out area residents, assess their needs, and help them make successful contacts with the service agencies capable of addressing these needs. These three processes are defined as outreach, intake, and referral. Finally, corporation staffs were to monitor the effectiveness of their referral process.

Coordination of services

The six corporations were unable to show us any documentation reflecting significant progress in coordinating with service agencies in the community. Even though the executive directors told us that they maintained some contact with certain service agencies, we found little evidence of it in the corporations' files.

In addition, the executive directors had different interpretations of the purpose of service coordination and how it should be carried out, even though the corporations' work statements were quite clear on these points.

For example, the UCPCOC executive director told us that she emphasized the development of young leaders who would have the interest and ability to criticize the leadership and functions of service agencies. In addition, she described future plans for relocating a public library and establishing health clinics in the area.

At BBDC we were told that coordination concentrated on HUD's Model Cities program because it offered the best potential for furnishing financial assistance to the corporation. The executive director told us that the only evidence of coordination with other agencies was cases in which individuals had been referred for services.

The PCDC executive director specified the referral process as his only method of coordinating with other agencies.

Outreach

Outreach is the process of informing area residents of the existence of the corporation and the services it could provide by actively seeking out area residents and establishing personal contact with them through door-to-door canvassing. All six corporations planned outreach efforts during the 1971-72 program year and established contact goals ranging from 5,000 to 11,000 residents.

Although all six work statements clearly specified that outreach would be accomplished through personal contact, we found little evidence that the corporations had made such contacts consistently. In addition, the corporations did not meet contact goals and corporation officials gave us widely varying interpretations of what outreach was supposed to be.

The BBDC executive director advised us that his staff did not do any personal canvassing because most people in the area already knew about the purpose of the corporation and the locations of its six satellite centers. He considered these centers to be serving the outreach function simply

because they were in the neighborhood. In spite of this statement, BBDC reported 305 outreach contacts to EODC between October and December 1971.

At UCPCOC, 1,517 of 1,540 outreach contacts reported during October 1971 were phone calls from residents or cases in which residents walked into the corporation office. The corporation was able to provide documentation supporting only 37 of 1,333 outreach contacts reported between January and March 1972.

Of a total of 4,176 outreach contacts reported by the other four corporations for the January - March 1972 period, we found documentation, in the form of daily route reports, to support only 959.

Intake

Intake is the technique of collecting data on each neighborhood resident contacted to give the corporation detailed information about human and social problems in the neighborhood.

Intake data was to be used to determine what additional resources were needed to solve residents' problems and to identify important issues on which residents might wish to take collective action. We found that the data being collected by corporations was inadequate for making such assessments.

The six corporations planned to interview neighborhood residents either through outreach or other means and to compile complete and accurate personnel data on them. This data was to be recorded on personal profile forms which were to be used for assessing need and as case history records. BBDC, SNAC, UCPCOC, MWCC, and PCDC each planned to interview 10 people per day; CCADC did not specify any goal.

The five corporations did not meet their goals, according to figures reported to EODC. Furthermore, these corporations did not have enough personal profile forms or other documentation to support the total intake cases reported.

In addition, the personal profile forms available had been completed only to the extent necessary to identify some short-term need such as food stamps and welfare. They did

not contain enough data to permit indepth analyses of individuals' problems, assessment of resources needed in the area, or identification of important issues.

We interviewed 17 randomly selected residents reportedly served by UCPPOC and BBDC during the program year. We found that corporation employees had visited eight individuals' homes. Employees made five visits to help applicants obtain welfare or food stamps and made two visits to see whether the individuals needed help with other problems.

Employees of the two corporations never visited the remaining nine residents.

Referral

After outreach and intake, the corporation was to determine which agencies could best meet an individual's needs and to help the individual obtain the required services by referring the person to these agencies. The referral process was considered to be important because the corporations were not organized to provide a multitude of services.

Although the six corporations reported 5,345 referrals during selected periods in the 1971-72 program year, we could find only 2,208 documented in corporation records. From 34 to 59 percent of the documented referrals were to welfare and social service programs, such as State Department of Public Welfare and food stamp programs, and 15 to 36 percent were to programs offering educational and employment opportunities. Other referrals were to legal aid, housing, and health programs. The following table contains a breakdown of referral activities recorded by each corporation:

Corporation (note a)	Referrals documented	Percent of type of referral		
		Welfare services	Employment and education	Other
BBDC	697	34	36	30
UCPPOC	195	50	17	33
CCADC	619	52	17	31
PCDC	283	47	20	33
SNAC	254	52	29	19
MWCC	160	59	15	26

2,208

^aThe period covered for BBDC was October through December 1971. In the other five corporations it was January through March 1972.

As mentioned previously, personal profile forms were generally only complete enough to identify some immediate need such as welfare, emergency food, food stamps, or clothing. In cases in which individuals were seeking employment or education, the profiles showed that the corporations referred them to programs without identifying their background, experience, or personal goals. Without this additional information, the corporations, in our opinion, did not have a basis for determining whether (1) the service agencies could provide the proper service or (2) the individuals' long-term needs would be addressed by this initial action.

We randomly selected 45 referrals made by BBDC and UCPPPOC and visited the service agencies involved to determine whether the individuals had actually received services.

For BBDC, we visited five service agencies and asked about 25 individuals. Ten were not on the agencies' records as having been referred, six had contacted the agencies before being referred by the corporation, two had contacted the agencies after the corporation referred them but were not accepted, and six were accepted by the agencies. The remaining individual visited the agency 2 months after being referred but we could not determine the results.

For UCPPPOC, we contacted three agencies to ask about 20 individuals. Of eight referred to the Welfare Department, five were receiving welfare benefits before the referrals, one was denied benefits, one was not on record at the Welfare Department, and one was successfully enrolled. Of five referred to the food stamp program, two were already enrolled before the referral, one became enrolled, and two were not on record at the food stamp center. Of the remaining seven referred to the Concentrated Employment Program, three were interviewed but not accepted, three were not on record, and one was enrolled.

Followup

According to their work statements for the 1971-72 program year, the corporations were to follow up on each referral by maintaining personal contact with the individual referred until his needs were fulfilled.

The six corporations apparently misunderstood the purpose of followup and were not doing it as envisioned in the work statements. For example, the BBDC executive director told us that followup, as defined in the work statements was neither practiced nor needed because his staff made certain that a person was accepted by another program before considering the referral complete. As stated previously, however, our visits to service agencies to ask about 25 individuals showed that only six of them had actually received services as a result of BBDC's referrals.

BBDC reported 248 followups to EODC between October and December 1971, but no supporting records were available. The executive director considered followup to be any services provided to a person after an initial referral and said that people would not hesitate to return to the corporation if they needed additional help. SNAC and MWCC defined followup in the same way.

CCADC reported 1,313 followups between January and March 1972 but we could find records supporting only 822. Of these, 299 represented transportation of service recipients to such places as arts and crafts classes and food stamp, welfare, and doctors' offices.

PCDC reported 1,161 followups between January and March 1972, although the records supported only 316. A corporation official told us that the difference resulted from a corporation policy which required that the whole family be counted even if only one member of the family was served.

We reviewed 152 referral cases at UCPPOC, CCADC, PCDC, MWCC, and BBDC and found that followup was performed in only 57 of the cases. At CCADC, eight followup actions consisted primarily of transportation services and seven consisted of trips made by corporation staff to pick up food stamps or welfare checks for residents. In five cases at PCDC, follow-up notations showed that services were not provided and problems were not resolved even though the cases had been closed.

ESTABLISHING SPECIAL PROJECTS

As we mentioned earlier, the corporations were to establish special projects when, through input from neighborhood advisory groups and community surveys, it was determined that a need existed for which no services were readily available. These projects were to address problems in seven high-priority categories which EODC had defined as a result of a target area survey conducted in 1970. The seven categories were health, education, employment, food, public works, housing, and welfare and social services.

Although in many cases the six corporations did not establish the special projects included in their work statements, they did establish other projects falling within the high-priority categories.

Health

UCPPOC, CCADC, and PCDC planned to upgrade and secure additional health services for their respective areas. UCPPOC referred needy individuals to existing clinics and hospitals. Neither CCADC nor PCDC secured the permanent clinics cited in their work statements, although CCADC did provide space for two temporary communicable disease immunization clinics sponsored by the San Antonio Metropolitan Health District. PCDC attempted to secure funding for a permanent clinic from the Model Cities program but was unsuccessful.

SNAC was operating a comprehensive health clinic which had been funded by a 2-year OEO mobilization of resources grant in 1970. In 1972 SNAC received a grant for about \$50,000 from the Bexar County Hospital District to continue the clinic after OEO funds were exhausted.

MWCC had not planned to start a clinic during the program year, but it successfully operated one which was open 3 days a week, employed the volunteer services of three physicians, and served an average of 10 patients a day. This clinic was closed in May 1972 because of a shortage of OEO funds, but the corporation was actively seeking non-OEO support to reopen it at the time of our review.

BBDC did not plan or perform any activities in the health area.

Education

All six corporations planned to address the educational needs of area residents during the program year. All but CCADC planned to sponsor and expand general education development (GED) and adult education classes.

Although the UCPCOC executive director claimed that typing and GED classes had been held, and the MWCC executive director said that he had referred potential students to classes sponsored by other agencies, we found no supporting evidence. BBDC was holding four GED and five adult classes with total enrollments of 41 and 82 students, respectively. PCDC and SNAC were each holding two GED classes at the time of our review; however, only one GED certificate was awarded during the program year.

Although MWCC, UCPCOC, PCDC, and SNAC planned to tutor youths during the program year, only PCDC and SNAC could show they had done so.

BBDC was sponsoring six arts and crafts classes for senior citizens with a total active membership of 241. On the average, each class met once a week. The corporation especially emphasized senior citizen activities because:

1. The executive director thought that the White House Conference on Aging had placed the entire thrust of OEO programs on the senior citizens.
2. There were no high school dropouts in the project area.

Although the executive director told us the dropout problem had been solved long ago, 1970 census data indicates that the percentage of 16- to 21-year-olds who were not high school graduates and not attending school ranged from 19.3 to 37.7 percent in the five census tracts making up BBDC's project area.

The executive directors of CCADC and PCDC said they were conducting four projects which were not listed in their work statements. We could not find documentation supporting the existence of three of these projects: a first-aid class, a citizenship class, and a program providing free

school supplies to needy children. We found, however, that 80 people were enrolled in a ceramics class that met twice weekly.

Employment

SNAC placed 104 people in jobs between February and June 1972 and PCDC placed 13 people between January and April 1972. BBDC and CCADC referred job applicants to the Texas Employment Commission and EODC's Concentrated Employment Program. UCPPOC provided part-time job referral services to 178 unemployed youths during the summer of 1971.

PCDC and BBDC planned to establish employment and economic development projects, such as a car wash, a pharmacy, and a construction company. In addition, SNAC, BBDC, and MWCC planned to help area residents apply for Small Business Administration loans. Because of a shortage of funds, the corporations did not establish these projects.

Food

UCPPOC, BBDC, and SNAC planned five food projects. There was no evidence that the corporations had accomplished three of the projects--a senior citizens nutrition program and two food cooperatives. A BBDC program funded by the Department of Agriculture provided afternoon meals to about 200 children. SNAC began a food cooperative program to serve about 500 families, but the cooperative failed after 3 months because it was unable to obtain large enough discounts on food.

Public works

UCPPOC planned to get better bus service, but negotiations were unsuccessful. The SNAC executive director claimed that he had successfully expanded the bus service in one neighborhood, but he could not produce any support for this. The PCDC executive director said the corporation had been partially responsible for getting the city to repair 22 streets in the area. He produced a petition with 1,028 names on it to demonstrate the type of pressure the corporation had used.

Housing

Only UCPPPOC planned a project dealing with housing problems. However, only one meeting was held during the 1971-72 program year to deal with housing problems. Of the 27 people who attended this meeting, 17 were representatives of other public agencies and 10 were area residents.

In an August 2, 1972, letter, the CCADC executive director informed EODC that her corporation had started a new housing project for senior citizens and claimed there were 68 participants in this activity. However, the executive director was unable to provide us with records showing either the nature or purpose of this program.

Welfare and social services

The six corporations reported involvement in 16 welfare and social services projects during the 1971-72 program year. Seven projects, listed in four work statements, included a boys club, a clearinghouse for citizen complaints, a recreation project, a senior citizens club, and three programs to transport residents to and from services.

BBDC and MWCC did not establish the boys club and clearinghouse because of a shortage of funds and staff. The UCPPPOC executive director said that the recreation project consisted of a summer recreation program and a rodeo trip. The only evidence supporting the senior citizens club at MWCC showed that 20 people attended one meeting in April 1972, and 27 people attended a picnic at a local city park. We found some evidence that MWCC, PCDC, and UCPPPOC had implemented the transportation projects.

CCADC, SNAC, BBDC, UCPPPOC, and MWCC were involved in the remaining nine projects. Their executive directors claimed some project accomplishments, but accomplishments in the following five projects were poorly documented.

1. A CCADC program which the executive director said gave clothing and school supplies to 383 children.
2. A SNAC thrift store project which the executive director said gave clothing to 53 people between January and March 1972.

3. A SNAC income tax service which the executive director said prepared returns for 14 people.
4. A SNAC program which the executive director said gave shoes to 13 people.
5. A SNAC transportation project which the executive director said served 125 people between January and March 1972.

The following four projects were also being carried out.

1. Boy, cub, and girl scout troops at BBDC
2. Consumer service at BBDC
3. A day-care center at UCPPOC
4. A youth recreation program at MWCC

Miscellaneous projects

SNAC and PCDC planned to promote industrial development by negotiating with neighborhood advisory groups and business firms. The executive directors of both corporations told us they had unsuccessfully attempted to attract garment firms into their areas.

The CCADC executive director said that Christmas baskets were given to 194 families, but he was unable to produce supporting documentation. The SNAC executive director had records which showed that Easter baskets were given to 300 participants in the spring of 1972.

EODC AWARENESS OF
NEIGHBORHOOD CORPORATIONS' PROBLEMS

EODC was fully aware of the operating deficiencies within the corporations and was trying to correct them. In the past EODC had encountered strenuous corporation resistance to guidance or technical assistance. One EODC employee advised us that she had little confidence in corporations' reported figures reflecting residents' participation in their projects. She added, however, that there was little she could do about reported figures because appendix F to OEO Instruction 6710-1 prohibits EODC access to the corporations' records concerning confidential client information. As a result, she had no way of verifying information.

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EODC, in January 1973, informed us that it had only recently instituted a good, fully-staffed monitoring program to oversee the corporations' accomplishments.

EODC advised us that the new monitoring program, which was being developed at the time of our review, includes the development of specific objectives and work statements, strengthening contracts to provide tighter control over the corporations, and better methods to help EODC take corrective action. In addition, contracts with the corporations are to include requirements for training, personnel policies, monitoring, and reporting and minimum standards of acceptable operation.

The OEO Dallas regional office, in January 1973, informed us that it has embarked on a new office strategy that will emphasize technical assistance to EODC and its corporations to cover shortcomings in program areas disclosed in our review. OEO believes that concentrated training efforts in these areas will alleviate many problems. OEO stated that it is attempting to reach a mutual agreement with EODC and its corporations to give available training to all parties concerned. OEO said that, if necessary, it will take steps to insure that all parties fully participate in the training programs.

The newly effected EODC monitoring system and the proposed OEO actions, if well implemented, should correct some of the weaknesses we found in the neighborhood service system.

The OEO Dallas regional office also informed us that the confidential client privilege was never intended to keep the Government from evaluating programs funded at the local level. The office also said that it had discussed this problem with the full EODC board while corporation representatives were present and that records of referrals, services provided, and other information which do not conflict with the confidentiality policy will be made available to EODC to help it carry out its responsibility under the EODC grant. According to OEO, EODC should reach a contractual agreement with the corporations concerning EODC's access to records.

CONCLUSIONS

Although the corporations have carried out a number of worthwhile projects which have provided some benefits to individuals and families in the communities, they have not generally achieved the goals listed in their work statements. These goals, however, may have been overly optimistic when they are compared to the resources available to the corporations and the magnitude of the problems which had to be overcome.

Community organization

If goals are to be achieved, community residents must be organized to participate more in neighborhood advisory groups and boards of directors meetings. Also, additional publicity is needed to inform community residents of the purposes of the corporations and the ways they can participate in corporation activities directed to their social betterment.

Coordination of services, outreach, intake, referral, and followup

Although we found that the corporations were making some efforts in these areas, we encountered several problems in trying to evaluate their effectiveness. For instance, we did not find adequate documentation to support the corporations'

accomplishments in any of these areas. Corporation officials had varying interpretations about what they should be doing to coordinate services and perform outreach. Regarding intake, we found that the data being collected by the corporations was inadequate to assess the peoples' needs.

Establishing special projects

The corporations conducted special projects directed toward better health, food, public improvements, housing, and welfare and social services. However, they did not provide community residents with the assistance and support they needed to permanently improve their circumstances, as was called for in title II of the Economic Opportunity Act of 1964, as amended. The corporations had placed emphasis on solving short-term problems and had little time or resources to address the residents' needs for better education or job opportunities.

Corporation resistance to EODC guidance and technical assistance and OEO regulatory restrictions on the extent to which EODC can monitor and evaluate the corporations' activities are other problems that need to be resolved.

RECOMMENDATIONS

We recommend that the Director of OEO, through the Office of Operations, help EODC and the corporations improve their operations and achieve planned goals by providing them with guidance and assistance for (1) organizing neighborhood advisory groups, (2) conducting area surveys and feasibility studies, (3) increasing public information efforts, (4) increasing voter interest in elections of board members and attendance at board meetings, (5) evaluating corporation activities, (6) coordinating corporation activities with service agencies in the community, (7) improving and carrying out outreach intake, referral, and followup activities directed toward meeting long-term needs of community residents, and (8) implementing special projects to address high-priority needs in the community.

In addition, we recommend that OEO require the corporations to accept EODC guidance and technical assistance and either rescind its instruction which prohibits EODC's access

to corporation client information or establish a system or procedure whereby the information may be provided to EODC without divulging names of corporation clients.

CHAPTER 4

AWARD OF MOBILIZATION OF RESOURCES GRANTS

In April 1970 OEO announced that, before the end of 1970, it would award a limited number of mobilization of resources grants to community action agencies to develop projects for alleviating high-priority problems, such as day care, housing, education, narcotics rehabilitation, and health. In May 1970 OEO notified EODC that the grants would be awarded on a competitive basis.

EODC helped nine community organizations prepare proposals which were submitted to OEO on May 25, 1970. Of the nine organizations, five were situated on the west side of San Antonio, three on the south side of San Antonio, and one in the central city area.

On June 22, 1970, the OEO regional director approved the following three proposals, effective July 1, 1970.

<u>Location</u>	<u>Project sponsor</u>	<u>Purpose</u>	<u>Funding</u>
West side	Inner-city Aposto- late	Narcotics ad- dicts refer- ral and counseling	\$ 49,090
South side	Southside Neigh- borhood Assis- tance Corpora- tion	Villa Coro- nado Health Clinic	39,840
South side	Immanuel Lu- theran Church	Child day- care cen- ter	<u>21,070</u>
			<u>\$110,000</u>

EODC entered into contracts with the first two sponsors. The third sponsor, however, informed EODC that it was unable to accept the grant because it could not comply with contract conditions prohibiting sectarian instruction or secure the non-Federal funds which were anticipated at the time its proposal was submitted.

To use the \$21,070 grant, EODC helped the following three applicants develop proposals which were submitted to OEO on July 31, 1970.

<u>Location</u>	<u>Project sponsor</u>	<u>Purpose</u>
West side	UCDC	Day-Care Center
East side	Ella Austin Community Center	Mental Health Clinic
East side	CCADC	Eastside Evening Clinic

On September 4, 1970, OEO asked EODC to select the project to be considered. The EODC subcommittee that was delegated oversight responsibility for the corporations recommended selection of the Ella Austin proposal.

The proposed Ella Austin project was to expand its part-time afternoon mental health clinic into a full-time afternoon and evening operation. It was the only proposal that indicated a need for the planned services. It contained letters from prominent individuals and organizations asserting that expanded mental health services were needed in that area. In addition, Ella Austin had a mobile home which was to be used to house the clinic. There was no evidence that the other two organizations had taken similar steps.

In spite of this, however, EODC's planning and evaluation committee approved the UCDC proposal. The EODC board confirmed this decision on October 27, 1970.

Before its proposal could be submitted to OEO, UCDC requested that its program be changed from a regular day-care center to a day-care center for mentally retarded children.

On April 14, 1971, EODC's planning and evaluation committee discussed this change. During the meeting it was suggested that the Ella Austin and CCADC proposals be reconsidered, since UCDC had submitted a proposed major revision. It was pointed out that a day-care center for mentally retarded children, because of its specialized nature, would not necessarily provide the type of services envisioned in UCDC's original plan. Contrary to this view, it was argued that the need for facilities to care for mentally retarded children was more critical than the need for regular

day-care services. In the final analysis the committee approved the revised proposal without reconsidering the other two proposals.

The EODC board discussed the revised proposal on April 20, 1971. At this meeting Ella Austin's executive director asked that her center's proposal be reconsidered since it met all funding requirements and since UCDC would not be using the funds for the purposes originally proposed. However, the EODC board approved the revised UCDC proposal.

On May 18, 1971, EODC submitted the revised UCDC proposal to OEO for consideration. OEO returned it on June 24, 1971, stating that it did not meet OEO's technical requirements. EODC returned the proposal to UCDC and offered to provide technical assistance in revising it. However, UCDC decided to develop a different project and submitted a draft proposal for it in August 1971. The new proposal was never acted upon.

Because of complaints by a UCDC board member in July 1971 and an EODC evaluation of UCDC board proceedings, the EODC board suspended UCDC on September 21, 1971, because of operational deficiencies. Effective April 26, 1972, EODC assumed direct operation of UCDC.

On August 11, 1972, OEO awarded the unused grant to EODC. EODC plans to use \$17,070 to fund a resource development unit at its headquarters, which will work with delegate agencies to develop well-defined projects. It plans to allocate the remaining \$4,000 equally to the six corporations and to two EODC delegate agencies for their use in financing travel to solicit funds from non-Federal sources.

In March 1972 we discussed this grant with the individual who was the chairman of the EODC planning and evaluation committee at the time the UCDC proposal was originally approved and with Ella Austin's executive director.

The chairman stated that the EODC board approved the UCDC proposal because there was a shortage of day-care services on the west side of San Antonio at that time. Although he and many people felt that the Ella Austin proposal was

the one that should have been approved, the award of the grant to UCDC was, in his opinion, a political move to appease west side interests and avoid a confrontation between blacks and browns.

Ella Austin's executive director essentially agreed with this view.

CONCLUSION

We believe that EODC should have reconsidered the Ella Austin Mental Health Clinic proposal when UCDC revised its original proposal because it was the only one that indicated a need for the planned services. By the time UCDC requested the second change, it was clear that UCDC had not properly planned, or justified the need, for the funds.

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The OEO Dallas regional office informed us in January 1973 that it believed that the EODC board had corrected this problem during 1972 and that it did not expect this situation to occur again.

CHAPTER 5

LIMITATION ON ADMINISTRATIVE COSTS

Section 244(7) of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2836), states that administrative costs may not exceed 15 percent of total Federal and non-Federal costs of all programs assisted by OEO and carried out or supervised by a community action agency.

OEO implemented section 244(7) in its Instruction 6807-1 which, at the time of our review, did not require that EODC report the 1971-72 program year administrative cost ratio to OEO until September 1972. For this reason our review was based on an informal report prepared by the EODC fiscal manager in June 1972.

EODC computed an administrative cost ratio of 7.6 percent for the 1971-72 program year on the basis of total program costs of about \$8.9 million and administrative costs of about \$680,000.

Except for some minor mathematical errors, the administrative costs were correctly computed and EODC's administrative cost ratio was well within the limitation cited in the Economic Opportunity Act.

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